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THE

Market Administrator's BULLETIN

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MARKET ADMINISTRATOR

Published at 79 East State Street, Columbus, Ohio 43215

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

FEBRUARY, 1968

Vol. 24 No. 2

A Proposal to Provide Food Service Programs

Excerpts from a statement by Rodney E. Leonard, Administrator, USDA'S Consumer and Marketing Service, before the Subcommittee on Select Education of the Committee on Education and Labor, U. S. House of Representatives

January, 1968

I appreciate the opportunity to appear before this Committee to present the views of the Department of Agriculture on H.R. 13293, a proposal to provide food service programs for children in group activities outside the home.

The proposed amendment to the National School Lunch Act before this Committee today will enable us to fill the final gap in our capabilities to improve nutrition among children in group situations away from home. We support this legislation.

The basic National School Lunch legislation combined with that of the Child Nutrition Act of 1966 has enabled us to reach out to children throughout the country in a variety of ways—as long as they were enrolled in a school situation.

But—we still cannot reach pre-school children in private, nonprofit pre-school programs—we cannot reach children during the summer

months unless they are enrolled in summer school and the school keeps the cafeteria operating.

We are saying, in effect, that we know the importance of good nutrition for children, we know that in early childhood poor nutrition can have lasting effects, physical and mental—but the children will just have to wait until they are old enough for school. Even then, good nutrition is only a nine-month effort to meet a twelve-month need.

The proposed legislation will enable us to:

Reach children with a group food service in public or private nonprofit day-care centers, settlement houses and private nonprofit pre-school activities on a year-round basis with a full range of Federal food assistance.

Reach children engaged during the summer months in recreational programs such as day camps and youth centers—not including full-care, live-in institutions or camps.

It is contemplated that the program would be operated initially on a pilot basis reaching approximately 100,000 children the first year at a cost of \$4.5 million. The majority of these children would probably participate during the summer months.

Assistance will be directed primarily to those activities serving children of low-income families, but where a program is in operation, all children will be able to participate.

In situations of severe need, we will be able to pay up to 80 percent of all operating costs of the food service program.

States will be permitted to use up to 25 percent of the funds apportioned to them to provide up to 75 percent of the cost of equipment for use by eligible institutions to initiate or expand food service.

I want to emphasize that this proposed amendment is based on twenty-one years of continuing successful

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Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Class I (3.5%)	
Class II (3.5%)	
Producer Butterfat Differential for each one-tenth percent	

Jan. 1968	Dec. 1967	Jan. 1967
\$5.38	\$5.56	\$5.47
5.78	5.78	5.89
3.91	3.96	3.92
9.2¢	9.3¢	9.4¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
Percent of Producer Butterfat in Class I	
Percent of Producer Milk in Class II	
Percent of Producer Butterfat in Class II	

82.7	80.1	82.3
71.5	71.6	73.6
17.3	19.9	17.7
28.5	28.4	26.4

PRODUCER MILK RECEIPTS

Total Pounds Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Receipts per Producer	
Average Butterfat Test	
Total Value of Producer Milk at Test	
Income per Producer (7 Day Average)	

47,083,651	46,242,409	45,760,876
1,270,563	1,205,069	1,245,036
1,652	1,651	1,551
919	904	952
3.96	3.92	3.89
2,729,441	\$2,656,136	\$2,670,800
\$373	\$363	\$388

GROSS CLASS USE (Pounds)

Class I Skim	
Class I Butterfat	
Class I Milk	
Class II Skim	
Class II Butterfat	
Class II Milk	

37,618,282	35,751,444	36,372,264
1,335,726	1,296,592	1,310,712
38,954,008	37,048,036	37,682,976
7,598,502	8,679,299	7,607,155
531,141	515,074	470,745
8,129,643	9,194,373	8,077,900

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

422,311	400,284	429,023
5,002	4,666	5,602
30,676	24,942	31,245
11,768	10,276	12,230
6,253	7,308	7,245

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



JAN., 1959 . '68

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1959	24,104,575	3.94	83.2	7.5	1.6	4.2	4.34	4.442	4.042	3.942	2.867	1,705	456
1960	28,244,823	3.96	86.7	6.3	2.1	8.4	4.46	4.685	4.285	3.777	2.996	1,696	537
1961	29,526,971	3.92	81.1	6.7	1.7	10.5	4.49	4.74	4.34	4.017	3.096	1,497	636
1962	33,597,270	3.97	79.3	6.3	1.9	12.5	4.30	4.517	4.117	3.892	3.266	1,329	815
1963	35,845,288	3.97	77.7	6.6	2.2	13.5	4.00	4.22	3.797	3.651	3.051	1,329	870
1964	40,235,178	3.93	78.9	6.8	1.8	12.5	4.28	4.55	4.12	3.76	3.08	1,357	956
1965	46,850,062	3.88	79.6	20.4	—	—	4.51	4.92	3.13	—	—	1,679	900
1966	46,243,721	3.87	82.8	17.2	—	—	4.65	5.00	3.21	—	—	1,602	931
1967	45,760,876	3.89	82.3	17.7	—	—	5.47	5.89	3.92	—	—	1,551	952
1968	47,083,651	3.96	82.7	17.3	—	—	5.38	5.78	3.91	—	—	1,652	919

NEW YORK, SECOND LARGEST MILK-PRODUCING STATE, ERADICATES BRUCELLOSIS

New York, the Nation's second largest milk-producing State, has achieved a Certified Brucellosis Free status by eradicating this costly disease of livestock, the U.S. Department of Agriculture announced recently.

Dr. Edward A. Schilf, who heads brucellosis eradication work for the Animal Health Division of USDA's Agricultural research Service, reports that this establishes a solid block of 7 States in the Northeast which are free from this cattle production hazard. New Hampshire, the first State to eradicate the disease, was later joined by Connecticut, Maine, Massachusetts, Rhode Island and Vermont. Other States which have reached this goal are Michigan and Wisconsin in the Midwest; Nevada, Utah and Washington in the West.

At the time the national effort to eliminate brucellosis was accelerated in 1954, testing of half a million cattle in New York revealed that 14 percent of the herds and nearly 2 percent of the cattle were affected. More than 40 percent of the dairy herds screened for brucellosis by the milk ring test were classified suspicious to the test.

By 1959, all of New York's counties had qualified as Modified Certified Brucellosis Areas by reducing the incidence of the disease to less

than 1 percent. The State moved into the final phase of the brucellosis eradication effort in 1961 by achieving a Certified Brucellosis Free status for 2 counties. At that time, there were 400 infected cattle herds. Today, all counties are certified free, and there are no known infected herds. Last year, New York produced more than 10 billion pounds of milk.

New York will continue to use 2 proven screening procedures to maintain a constant surveillance of its cattle herds. The State's more than one million dairy cows will be milk tested four times yearly. Beef cows will continue to be market cattle tested.

Dr. Grant S. Kaley, Director of the State's Division of Animal Industry, and Dr. Dale Suplee, Federal Veterinarian in Charge, directed the successful brucellosis eradication campaign in New York.

Dr. Schilf points out that the 2 top milk-producing States in the Nation—Wisconsin and New York—have eradicated brucellosis. The livestock industry has again indicated its desire to eliminate this disease by 1975. Presently, 40 States have reduced the incidence of the disease to less than 1 percent; 12 States have completely eradicated brucellosis. Altogether, 92 percent of the Nation's counties are certified.

MILK PRODUCTION SLIGHTLY UNDER 1966 LEVELS

The Dairy Situation, Economic Research Service, USDA November, 1967

September milk production was 9.2 billion pounds, 1 percent below September 1966. Among regions, only the South Atlantic States reported a gain from a year earlier. However, among major producing States, milk production was 3 percent above a year earlier in New York and about the same in Wisconsin and California.

September output per cow was 680 pounds, up 2.6 percent from a year earlier and a record for the month. This compares with an increase of 5.6 percent in September 1966. Gains this September ranged from 5.7 percent in the South Atlantic States to 1.4 percent in the Western Region. Output per cow was a record high for September in 45 States.

January-September milk output totaled 92.2 billion pounds, just under the 92.4 billion of a year earlier. For the 9 months, milk production increased slightly in the East North Central, South Atlantic, South Central, and Western regions, but was down 3 percent in the North Atlantic region and slightly in the West North Central States. Wisconsin's 3.7 percent output gain brought the East North Central region's 9-month production above a year earlier.

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EXCERPTS FROM A STATEMENT

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experience under the National School Lunch Program.

Program administration will be in the hands of the same State educational agency that administers the lunch and child nutrition programs. That twenty-one years of hard-learned expertness in providing a food service for children that meets pretty stringent nutritional standards at a minimum cost to the child will be fully utilized. On a day-in, day-out basis, this is not an easy job.

Who and where are these children we want to reach?

It is estimated that there are 5.5 million children under six, and 9 million more under 17, in families too poor to feed and house them adequately. Head Start has dramatically exposed the nutritional needs of poverty's children. More than 1.5 million pre-schoolers are not getting the nourishing food vital to strong and healthy bodies.

FEED GRAIN CROP UP 12 PERCENT; LARGER CARRY-OVER IN PROSPECT

Feed Situation, November, 1967

The big 1967 feed grain crop this year is expected to result in some increase in carryover stocks at the close of the 1967-68 marketing year. The 1967 crop was estimated in October at about 176 million tons, 12 percent larger than last year and 21 percent above the 1961-65 average.

Market Quotations

JANUARY

1968

MINNESOTA-WISCONSIN PRICE SERIES	\$4.01
Butter-nonfat dry milk price, 3.5% per cwt. (Columbus)	3.91
Average Price per lb. 92-score butter at Chicago6644
Average carlot prices, spray process nonfat dry milk, f.o.b. Chicago area manufacturing plants.1942

Milk Production Rising In Exporting Countries

The Dairy Situation, Economic Research Service USDA December, 1967

Milk production in European countries continue to rise. Preliminary estimates indicate France's output will be up around 4-5 percent, and substantial gains are in prospect for the Netherlands and West Germany. At the end of September, butter stocks in the EEC countries (excluding Italy) were estimated at 527 million pounds approximately 13 percent above a year earlier; those in either major West European dairy countries were estimated to be about 254 million pounds, up 8 percent. The 1966-67 production season in New Zealand ended in May, with dairy production at a record level for the fifth consecutive season. However, June-May butter production was only slightly above a year earlier and cheese production was up about 3 percent. On the other hand, output of nonfat dry milk rose 75 percent to about 250 million pounds in 1966-67. Australia production has recovered from relatively low levels caused by droughts in the last couple years.

Continued subsidized exports of butter and other high-fat products

originating in continental Europe are causing problems to other countries. Exports of butteroil to the United Kingdom rose from about 9 million pounds in 1965-66 to over 44 million in the year ending March 21, 1967. Heavily subsidized French, Dutch, and West German butter was being offered in world markets at rates sharply below New Zealand prices. West Germany and the Netherlands increased their export subsidies on butter this past summer in order to enable exporters to lower prices.

Skim milk powder production in the EEC rose 24 percent in 1966 and is rising substantially again this year. European skim milk powder in other years had been largely absorbed internally for livestock feed and human food. It was recently reported that substantial tonnages of West European skim milk powder are being offered for sale in Asia, Africa, Caribbean, and South American markets. Free at border price in Holland for nonfat dry milk has been under 12 cents per pound since late September.